



**MEDIA RELEASE: TUESDAY, AUGUST 22, 2023**

**CATO CONTINUES ITS CAMPAIGN TO RAISE AWARENESS OF THE NEED FOR A MORE EFFECTIVE AND FAIRER TRAVELER PROTECTION SYSTEM FOR ONTARIO'S TRAVEL INDUSTRY**

TORONTO - CATO welcomed the decision by the Ontario Minister of Public and Business Service Delivery, the Honorable Kaleed Rasheed, to make significant changes to TICO's governance, as announced in the five Ministerial Orders issued on August 11.

CATO also applauds the Minister's declaration to place consumer protection at the heart of TICO's mandate. Let's hope that concrete improvements will be made as soon as possible to modify the funding rules for TICO and the Consumer Compensation Fund. The industry can no longer accept to bear the increased costs of an inadequate protection system for both the consumers and for the burden it imposes on the industry.

We are also very positive about the Minister's decision to create an Industry Advisory Council. We are ready to offer our cooperation for the rapid implementation of this new council, which will provide a more effective means for the industry to share its concerns and challenges for the future of travel businesses in Ontario.

On July 25th, in a joint position, CATO and ACTA withdrew their four appointees from the TICO Board of Directors in protest at TICO's inadequate consultation process on the funding of this regulatory body and on industry funding of the Travellers Compensation Fund. The other fundamental reason for the withdrawal was to put an end to an unacceptable conflict-of-interest situation that had gone on for too long and was becoming counterproductive on issues fundamental to the entire travel industry in Ontario. The changes introduced by the Minister finally resolve this situation.

What remains now is to continue working on improving the consultation process as well as fixing the major issue of funding TICO and the Travelers' Compensation Fund. In fact, all industry members will be asked to vote in favor of a motion to be presented by a registered member at TICO's Annual General Meeting on September 26. The motion is attached.

For further information, please contact:

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## MOTION

**The following motion is submitted to the Secretary of TICO on August 11, 2023, as it is to be made at the 2023 Annual Meeting.**

**Title:** On behalf of The Travel Industry in Ontario, the Ontario registrants, we require a fundamental change in the Funding framework of TICO and ask for a legislated consumer contribution protection insurance system to provide meaningful and sustained protection to Ontarian travellers.

This motion is brought before the Annual Meeting of the members of the Travel Industry Council of Ontario (TICO) to be held on Tuesday, September 26, 2023, for its consideration and approval.

Whereas TICO (the Travel Industry Council of Ontario) has launched the largest review of its funding framework and fee structure since inception;

Whereas TICO has proceeded with consultation through a third-party consultant, without providing all the relevant information and has rejected out of hand a fundamental change in the funding of the Compensation Fund to introduce a meaningful and sustained protection system including a legislated consumer contribution protection insurance as requested by the industry for many years;

Whereas both ACTA and CATO have long insisted for a new funding model that will provide a fairer playing field for Ontario travel and tourism businesses and meaningful protection to the consumer;

Whereas TICO, under the control of the Minister of Public and Business Service Delivery, is still ignoring the industries' request;

Whereas the Funding Review process doesn't allow any consultation with all the proposed recommendations before it receives Minister's approval, and preventing to take into consideration the Associations' (CATO and ACTA) proposal;

Whereas the TICO Consumer Compensation Fund, as it is structured today, is significantly broken. It was designed in the 70s in an era of a cash and cheque economy, and before the internet, e-commerce and where more than 90% of travel purchases are transacted using credit cards;

Whereas the outdated model is unsustainable for Ontario's travel industry in a global travel market, creating a disadvantage for Ontario travel companies making them uncompetitive;

Whereas the industry is also recovering from a catastrophic global pandemic and adding new financial and administrative burden is not acceptable;

Whereas if there had been no federal and provincial financial assistance, there would have been countless bankruptcies of our travel businesses in Ontario, and a total disaster for TICO's underfunded compensation fund; Whereas in Québec, the consumer benefits from that protection for an insignificant fee;

It is proposed to this Assembly that:

A legislated consumer contribution protection "insurance" system be instated, for a meaningful Compensation Fund, without all the current event caps, to replacement the proven inadequacies of the current Compensation Fund.

Proposed by: Brett Walker, TICO registrant.